

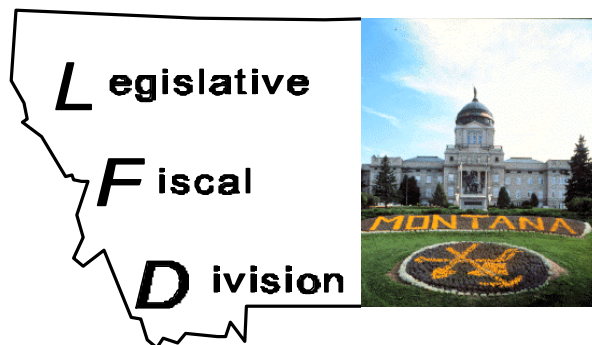
# Fish and Wildlife Study

*A Workplan for LFC Consideration*



Prepared for the  
***Legislative Finance Committee***  
by

**Roger Lloyd**  
**In conjunction with FWP and EQC Staff**  
October 7, 1999



# Background

House Joint Resolution 33, passed by the 1999 legislature, requested the Legislative Council to study the sources and levels of funding for the conservation and management of fish and wildlife resources and to study the historic and current responsibilities of the Department of Fish, Wildlife, and Parks (FWP). The resolution notes that difficult funding decisions face future legislatures because of increasing responsibilities in “nontraditional” fish and wildlife programs and increasing costs. In essence, the resolution contemplates a study of FWP programs to determine the propriety of using hunting and fishing license fees to pay for programs that have little or no benefit to hunters and anglers (termed “non-traditional programs” in the resolution) or which provide benefits to others who do not pay. Therefore, the study would encompass a determination of: 1) what programs or functions to examine; and 2) the degree of non-payer “benefit”.

A copy of the resolution is provided as Attachment A. The Legislative Council referred the study to the Legislative Finance Committee (LFC) to do at its discretion. Although the LFC considered the study as part of its interim workplan at its June 1999 meeting, no decision was made to include it. Rather, it was agreed that the LFC would revisit the inclusion of the study in the workplan at the October 1999 meeting.

Legislative Fiscal Division (LFD) staff have met with Representative Haines, staff of the Environmental Quality Council (EQC), and staff of FWP to develop the following proposal for the LFC to consider if it wants to conduct a study similar to that contemplated in HJR 33.

## **LFC Decision:**

**Does the LFC want to conduct this study?**

## Scope

This study is not part of the LFC interim workplan approved in June. Limited LFD and committee resources and an already approved aggressive committee workplan necessitates that, if the LFC wants to conduct the study, it be limited in scope from that contemplated in HJR 33. If the committee wants such an in-depth study, it would have to re-prioritize already approved workplan items. The scope of the study depends on LFC decisions on: 1) the number and depth of programs and activities to be analyzed; and 2) the extent of public participation. It is important that the committee give staff clear direction on these items. The following are three levels this study could take:

1. Limited – In a limited study, only a few programs and activities would be analyzed. As examples, the study might concentrate only on threatened and endangered species activities such as those associated with bald eagles, bull trout, cutthroat trout, grizzly bears, piping plovers, black-footed ferrets, lynx, gray wolves, pallid sturgeon, whooping cranes, least terns, peregrine falcons, and white sturgeon. This is an area where there is probably little controversy in making a determination that hunters and anglers receive little or no benefit from license fees spent on these activities.
2. Moderate – A moderate study would include the threatened and endangered species mentioned above plus other programs such as non-game wildlife, mitigation of conflicts between people and wildlife, and areas where the relationship between who pays and who

receives the benefits may not be quite so clear. Examples of these include efforts to mitigate conflicts between people and wildlife species such as mountain lions and grizzly bears, enforcement of personal watercraft and motorboats, game damage, predator control, fishing access sites, bison management, and game farms.

3. High – An in-depth study would take considerable staff and committee time and necessitates the elimination of already approved workplan items. All FWP programs would be analyzed from the viewpoint of who pays, who receives benefits, and to what degree benefits are received. This would include programs where determining the relationship between who pays and the benefits received would be difficult, time-consuming, and perhaps controversial. A high degree of public participation would be helpful for this type of study. In addition to the areas mentioned above, such a study would analyze programs such as habitat enhancement, wildlife management areas, shooting ranges, legal fees and court costs, natural heritage, educational and outdoor programs (youth, angler, hunter, aquatic), wildlife rehabilitation, Montana Outdoors, and other programs that provide benefits to people besides hunters and anglers.

#### **LFC Decision:**

**If a study is wanted, what scope and commitment of resources are desired?**

## **Proposal**

The following proposal, open to modifications by the LFC, is a study guideline - the scope of which needs to be set by the LFC as mentioned above. The FWP and EQC have agreed to assist the LFD in the study and have offered to share resources. Since the EQC has broad statutory involvement in FWP activities, staff will periodically update the council on the study progress and ultimate LFC recommendations.

If approved, staff proposes to conduct a study that:

1. defines and identifies broad areas of current FWP “non-traditional” responsibilities and activities;
2. determines historical trends for these activities along with expenditures and funding sources;
3. estimates future involvement and costs of these and other potential future activities;
4. explores various alternative funding options for these activities; and
5. offers the LFC various options for setting/changing the policy of “non-traditional” responsibilities and activities.

#### Purpose

The purpose of the study is to provide information to the LFC to make policy decisions concerning fish and wildlife programs that are considered “non-traditional”. To guide the LFC through this process, the study will also provide the LFC with specific policy and funding decision points to consider and act upon. Ultimately, if amendments to statute are needed to implement these decisions, legislation will be drafted for introduction in the 2001 legislative session. If only budgetary changes are needed to implement the LFC recommendations, these will be included in the LFD Budget Analysis for consideration by the legislature.

## “Non-traditional” Responsibilities and Activities

As a broad definition, “non-traditional” activities may be considered activities, funded either all or partially with hunter and angler license fees, from which hunters and anglers receive no benefits or only indirect benefits. For the purposes of this study, it may also include those activities, funded either all or partially with hunter and angler license fees, that provide benefits to other Montanans who do not share in paying for them. HJR 33 alludes to the following activities for which hunter and angler license fees may not be an appropriate funding source: 1) management of threatened and endangered species; 2) nongame wildlife management; 3) habitat protection and litigation of federal issues to protect state’s rights and interests in non-game areas; and 4) mitigation of conflict between people and wildlife. The questions that need to be answered are: 1) what activities do hunters and anglers pay for, but receive little or no benefit; and 2) what activities do hunters and anglers pay for that benefit other people who do not share or share fully in the costs.

The study will identify and provide a selected list of the non-traditional activities that FWP currently manages and condensed them into broad categories.

## Historical and Future Trends of “Non-traditional” Activities

Historic trends of non-traditional activities will be identified and discussed including FWP responsibilities, the source of authorization for the activity (such as federal, state, legal requirement, or FWP Commission policies) and the changing demand for the programs. Estimates of historical expenditures, both time and money, will be developed and associated funding sources identified.

Future trends of current non-traditional programs will be discussed along with new activities that may be on the horizon (such as gray wolves), the source of authorization for these activities, and their implication on state policy. Cost estimates for these trends will be developed to the extent possible.

## Alternative Funding Options

HJR 33 recognizes that expenditures for non-traditional programs, along with increasing costs in traditional activities, are causing a reduction in fund balances. HJR 33 contemplates that, because of this, future legislatures will face spending and/or revenue decisions or decisions of sharing costs with others who also benefit from the activities. If left unresolved, increasing use of hunter and angler license fees to fund non-traditional activities will result in larger or more frequent license fee increases than may be required if these activities were not funded or were funded from other sources.

The legislature may choose to: 1) continue funding non-traditional activities from the current funding sources (no change); 2) reduce or eliminate funding for select non-traditional activities; and/or 3) consider alternative state and federal funding. Three possible alternative funding methods include: 1) redirect current base program funding away from other programs to non-traditional activities (total funding remains the same); 2) increase revenue from existing funding sources (fee increases); and 3) provide new revenue sources, including from those who also receive benefits from the activities, but currently do not pay for them.

Funding options and alternatives will be researched and provided to the LFC. A survey of neighboring states will be conducted to determine how they fund similar non-traditional programs. Redirection of current funding requires knowledge of current programs, a decision on which current programs to eliminate or reduce, and the ramifications of elimination or reduction. Therefore, a broad analysis of all FWP programs will be completed to provide the LFC with the information it needs if it wants to redirect funding from current programs.

Since a “no change” decision may result in larger or more frequent license fee increases to fund growth in non-traditional programs, an analysis of potential fee increases as a result of this scenario will be provided.

## **Public Involvement**

HJR 33 envisions broad public participation in the study from hunters and anglers, their associated groups, FWP, the University System, and elsewhere. FWP staff have offered to provide resources as needed to obtain public input. Public input could provide information on the public’s perception of and expectation for non-traditional programs. It could also provide more information on alternative funding sources and priorities of current and non-traditional programs. Public participation would also serve to educate people on this issue and familiarize them with the legislative deliberations behind any recommendations. However, public participation would increase the time and expense of the study, and may prolong the decision process. Limiting the scope of the public involvement may be difficult once started.

The decision of the LFC as to the extent of public involvement depends on the scope of the study as discussed above under “Scope”. The LFC may want to contemplate the following levels of public involvement.

1. None
2. Low – A low level of public involvement might involve only a written survey to solicit public opinions and ideas about programs and funding.
3. Medium – A middle level of public involvement might consist of scoping meetings to identify the non-traditional programs of concern and discuss who should pay for them. These meetings would be followed up with a written survey.
4. High – A high level of public involvement would entail multiple rounds of public meetings from the initial scoping process to the formation of the final report and recommendations.

### **LFC Decision:**

**To what extent does the LFC want public involvement in the study?**

## **Estimated Timelines**

The timelines for the study depend on LFC direction as to the scope of the study and extent of public participation. However, the following table provides a rough estimate:

## Fish and Wildlife Study Objectives by LFC Meeting Dates

Meeting Date	Objectives
October 7, 1999	<ol style="list-style-type: none"> <li>1. Presentation of proposed workplan</li> <li>2. LFC decides on whether or not to conduct the study</li> <li>3. LFC determines scope of study</li> <li>4. LFC determines if and to what extent to include public participation</li> <li>5. Approval of workplan and staff assignments</li> </ol>
December 9, 1999	<ol style="list-style-type: none"> <li>1. Duties distributed to FWP, EQC, and LFD</li> <li>2. Identification of non-traditional programs completed</li> <li>3. Development of the public involvement process</li> </ol>
March 9, 2000	<ol style="list-style-type: none"> <li>1. Preliminary historical trends for non-traditional activities completed along with expenditures and funding sources</li> <li>2. Estimates on future involvement and costs of non-traditional activities completed</li> <li>3. Update on the public involvement process</li> </ol>
June 8, 2000	<ol style="list-style-type: none"> <li>1. Various alternative funding options for non-traditional activities completed</li> <li>2. Survey of how other states fund non-traditional activities completed</li> <li>3. Broad analysis of all fish and wildlife programs completed to aid the LFC in decision to redirect current funding, if needed</li> <li>4. Analysis of fee increases completed</li> </ol>
September 21, 2000	<ol style="list-style-type: none"> <li>1. Final report and recommendations presented to the LFC including recommendations for legislation, if any</li> <li>2. LFC makes policy/funding decisions</li> </ol>
November 17, 2000	<ol style="list-style-type: none"> <li>1. Present draft legislation, if any, to the LFC for approval</li> <li>2. Wrap-up of outstanding issues, if any</li> </ol>

# Attachment A

HOUSE JOINT RESOLUTION NO. 33

INTRODUCED BY D. HAINES, J. WITT, A. CURTISS, D. FUCHS, B. RANEY, B. THOMAS

A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA REQUESTING THE LEGISLATIVE COUNCIL TO DESIGNATE AN APPROPRIATE INTERIM COMMITTEE TO STUDY SOURCES AND LEVELS OF FUNDING FOR THE CONSERVATION AND MANAGEMENT OF FISH AND WILDLIFE RESOURCES AND TO STUDY THE HISTORIC AND CURRENT RESPONSIBILITIES OF THE DEPARTMENT OF FISH, WILDLIFE, AND PARKS.

WHEREAS, for nearly a century, hunters and anglers have accepted significant financial responsibility for conservation and management of wildlife in Montana; and

WHEREAS, license fees and federal excise taxes on sporting equipment have funded programs that protect wildlife habitat, ensure sound management, and provide recreational access for hunting and fishing; and

WHEREAS, in years past, when fish and wildlife management consisted mainly of counting game populations, setting seasons, and enforcing bag limits, it was appropriate that hunters and anglers paid the bill; and

WHEREAS, fish and wildlife managers must do more today than provide for the needs of hunters and anglers; and

WHEREAS, federal decisions on the listing of threatened and endangered species can have major impacts on Montana's fish and wildlife, as well as on the state's economy, and the Montana Department of Fish, Wildlife, and Parks needs to gather information about and manage nongame wildlife, initiate and monitor habitat protection measures, negotiate with federal agencies, and litigate issues to protect the state's rights and interests; and

WHEREAS, subdivision of rural lands is increasing the frequency and severity of life-threatening and property-damaging conflicts between people and wildlife and the Department of Fish, Wildlife, and Parks needs to respond to calls for assistance in mitigating those conflicts; and

WHEREAS, while the number of hunters and anglers who buy licenses is relatively stable, wildlife management costs continue to increase and current projections suggest that the general license fund balance will decline through fiscal year 2004; and

WHEREAS, future Legislatures will have to wrestle with tough issues such as whether to close the fiscal gap by drastically cutting spending, raising license fees, or finding alternative sources to pay the costs of fish and wildlife conservation in Montana; and

WHEREAS, the Legislature finds that it is clearly in the best interests of all Montanans, especially hunters and anglers, that a diverse group of Montanans should explore various sources of funding for fish and wildlife management programs and determine whether hunters and anglers should continue to accept primary financial responsibility for fish and wildlife management programs that may not directly benefit the fish and wildlife populations typically pursued by hunters and anglers.

NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA:

That the Legislative Council be requested to designate an appropriate interim committee to:

(1) examine the historic, current, and anticipated sources and levels of funding for the conservation and management of the state's fish and wildlife resources;

(2) examine the historic responsibilities of the Department of Fish, Wildlife, and Parks for fish and wildlife management and conservation;

(3) examine the changing demands placed on the Department of Fish, Wildlife, and Parks for management of nontraditional programs, such as those for threatened and endangered species; and

(4) consider options and alternative sources to more appropriately fund necessary programs if it is determined that hunting and fishing license revenue is paying for those programs to the benefit of all Montanans.

BE IT FURTHER RESOLVED, that the committee is encouraged to:

(1) solicit the participation of the Montana Department of Fish, Wildlife, and Parks;

(2) actively seek the involvement of Montana's hunters and anglers;

(3) appoint subcommittees as necessary; and

(4) use the staff resources of the Legislative Branch and the various agencies of state government, as well as the expertise that may be available from within the Montana University System, hunter and angler groups, and elsewhere.

BE IT FURTHER RESOLVED, that the committee assigned to conduct the study shall:

(1) prepare, prior to September 15, 2000, a detailed report of its findings and conclusions on the issues assigned to it by this resolution; and

(2) submit the report to the Governor and the Legislature, as provided in 5-11-210.

BE IT FURTHER RESOLVED, that if the committee identifies and agrees to make recommendations for further legislative consideration, those recommendations must be included in the report.